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Attorneys for Defendant  
Shasta Technologies, LLC

**UNITED STATES DISTRICT COURT**  
**FOR THE NORTHERN DISTRICT OF CALIFORNIA**

PHARMATECH SOLUTIONS, INC.,  
  
Plaintiff,  
  
v.  
  
SHASTA TECHNOLOGIES, LLC,  
Defendant.

**CASE NO. 5:14-cv-03682 HRL**

**SHASTA TECHNOLOGIES, LLC'S  
NOTICE OF MOTION AND MOTION TO  
DISMISS PLAINTIFF PHARMATECH  
SOLUTIONS, INC.'S COMPLAINT FOR  
LACK OF SUBJECT MATTER  
JURISDICTION PURSUANT TO FRCP  
12(b)(1)**

Hearing Date: January 13, 2015  
Time: 10:00 a.m.  
Courtroom: 2, Fifth Floor

The motion will be based on this Notice of Motion and Motion, the attached Memorandum of Points and Authorities, the Declaration of Calvin A. Knickerbocker, Jr., filed herewith, the pleadings on file in this action, and on such other matter as the Court may consider.

OGLOZA FORTNEY LLP

Attorneys for Defendant Shasta Technologies,  
LLC

**MEMORANDUM OF POINTS AND AUTHORITIES**

This is an action for declaratory and injunctive relief brought by Plaintiff PharmaTech Solutions, Inc. (“PharmaTech”) concerning a settlement agreement entered into by PharmaTech with Defendant Shasta Technologies, LLC (“Shasta”) on or around March 20, 2014. This Court lacks subject matter jurisdiction over the parties’ dispute because both PharmaTech and Shasta are citizens of California for diversity jurisdiction purposes, and no other basis for federal jurisdiction is alleged or exists. In light of this Court’s lack of jurisdiction, PharmaTech’s complaint must be dismissed.

**STATEMENT OF RELEVANT FACTS**

PharmaTech’s Complaint alleges that this Court has jurisdiction pursuant to 28 U.S.C. section 1332. Complaint [Dkt. No. 1] at ¶ 1. The Complaint alleges that that PharmaTech is a Nevada corporation with its principal place of business at 2660 Townsgate Road, Ste. 300, Westlake, California. Complaint [Dkt. No. 1] at ¶ 3. The Complaint further alleges that Defendant Shasta is an Oregon limited liability company with its principal place of business at 7340 Hunziker Road, Ste. 205, Tigard, Oregon. Complaint [Dkt. No. 1] at ¶ 4. The Complaint alleges that the instant action arises out of a binding settlement term sheet entered into by the parties on March 20, 2014, and includes a single cause of action for declaratory and injunctive relief related to that term sheet. Complaint [Dkt. No. 1] at ¶¶ 14-22.

While Shasta is indeed a limited liability company organized under the laws of Oregon, its members include multiple residents and citizens of the state of California. Declaration of Calvin A. Knickerbocker, Jr., filed herewith, at ¶¶ 2-5.

**ARGUMENT**

Diversity jurisdiction in federal court extends to “all civil actions where the matter in controversy exceeds ... \$75,000 ... and is between ... [c]itizens of different States.” *Johnson v. Columbia Properties Anchorage, LP*, 437 F.3d 894, 899 (9th Cir. 2006) (citing 28 U.S.C. § 1332). In cases involving entities rather than individuals, “diversity jurisdiction depends on the form of the entity. For example, an unincorporated association such as a partnership has the citizenships of all of its members.... By contrast, a corporation is a citizen only of (1) the state

1 where its principal place of business is located, and (2) the state in which it is incorporated.” *Id.*  
 2 (citing *Carden v. Arkoma Assocs.*, 494 U.S. 185, 195-96 (1990)). In cases involving  
 3 unincorporated entities, *all members* of an unincorporated entity must be diverse from an  
 4 opposing party, regardless of whether the unincorporated entity is a plaintiff or defendant.  
 5 *Rockwell Int’l Credit Corp. v. U.S. Aircraft Ins. Grp.*, 823 F.2d 302, 304 (9th Cir. 1987).

6 In the Ninth Circuit, consistent with that of every federal circuit to have addressed the  
 7 question, limited liability companies are treated “like partnerships for the purposes of diversity  
 8 jurisdiction.” *See Johnson*, 437 F.3d at 899 (discussing LLC citizenship and collecting cases  
 9 from other circuits). As a result, “an LLC is a citizen of every state of which its  
 10 owners/members are citizens.” *Id.*

11 No diversity jurisdiction exists in the instant action because both PharmaTech and Shasta  
 12 are citizens of California. PharmaTech alleges that it is a Nevada corporation with a principal  
 13 place of business in California. Complaint [Dkt. No. 1] at ¶ 3. PharmaTech is therefore a citizen  
 14 of California for jurisdictional purposes. Shasta, while organized as an Oregon LLC, contains  
 15 multiple members who are residents and citizens of California. *See* Declaration of Calvin A.  
 16 Knickerbocker, Jr., filed herewith, at ¶¶ 2-5. As a result, Shasta is also a citizen of California,  
 17 and there is no diversity between the parties.

### 18 **CONCLUSION**

19 For the reasons set forth above, defendant Shasta respectfully requests that the Court  
 20 dismiss Plaintiff’s complaint with prejudice.

21  
 22 Dated: December 8, 2014

Respectfully submitted,

OGLOZA FORTNEY LLP

24 By: /s/ David Fortney  
 25 David Fortney

26 Attorneys for Defendant Shasta Technologies,  
 27 LLC  
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